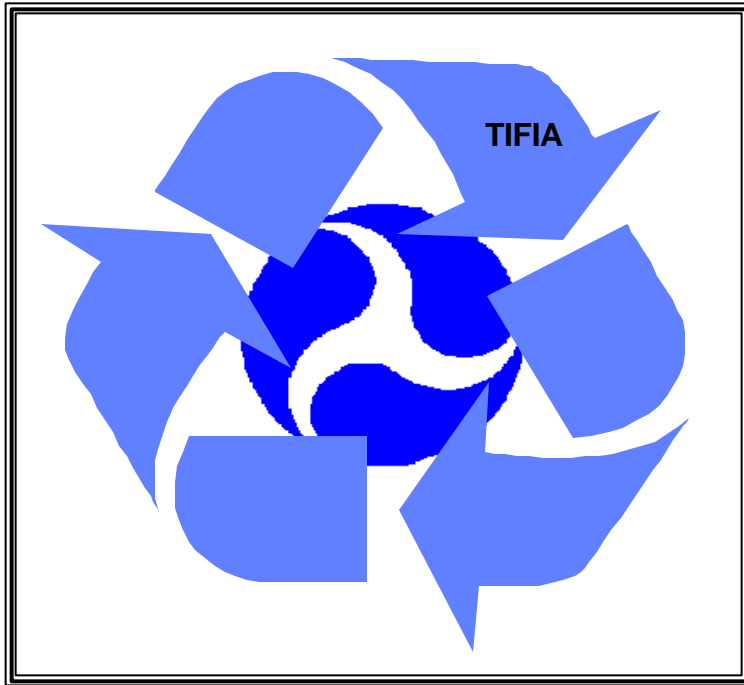




TIFIA Credit Program Overview



***Transportation
Infrastructure
Finance and
Innovation
Act***

Updated July 2001



Background on TIFIA

- **Strategic goal** – to leverage limited Federal resources and stimulate private capital investment in transportation infrastructure by **providing credit assistance in the form of direct loans, loan guarantees, and standby lines of credit** (rather than grants) to projects of national or regional significance.

- **Key objectives**
 - Facilitate projects with significant public benefits
 - Encourage new revenue streams and private participation
 - Fill capital market gaps for secondary/subordinate capital
 - Be a flexible, “patient” investor willing to take on investor concerns about investment horizon, liquidity, predictability and risk
 - Limit Federal exposure by relying on market discipline



Background on TIFIA (continued)

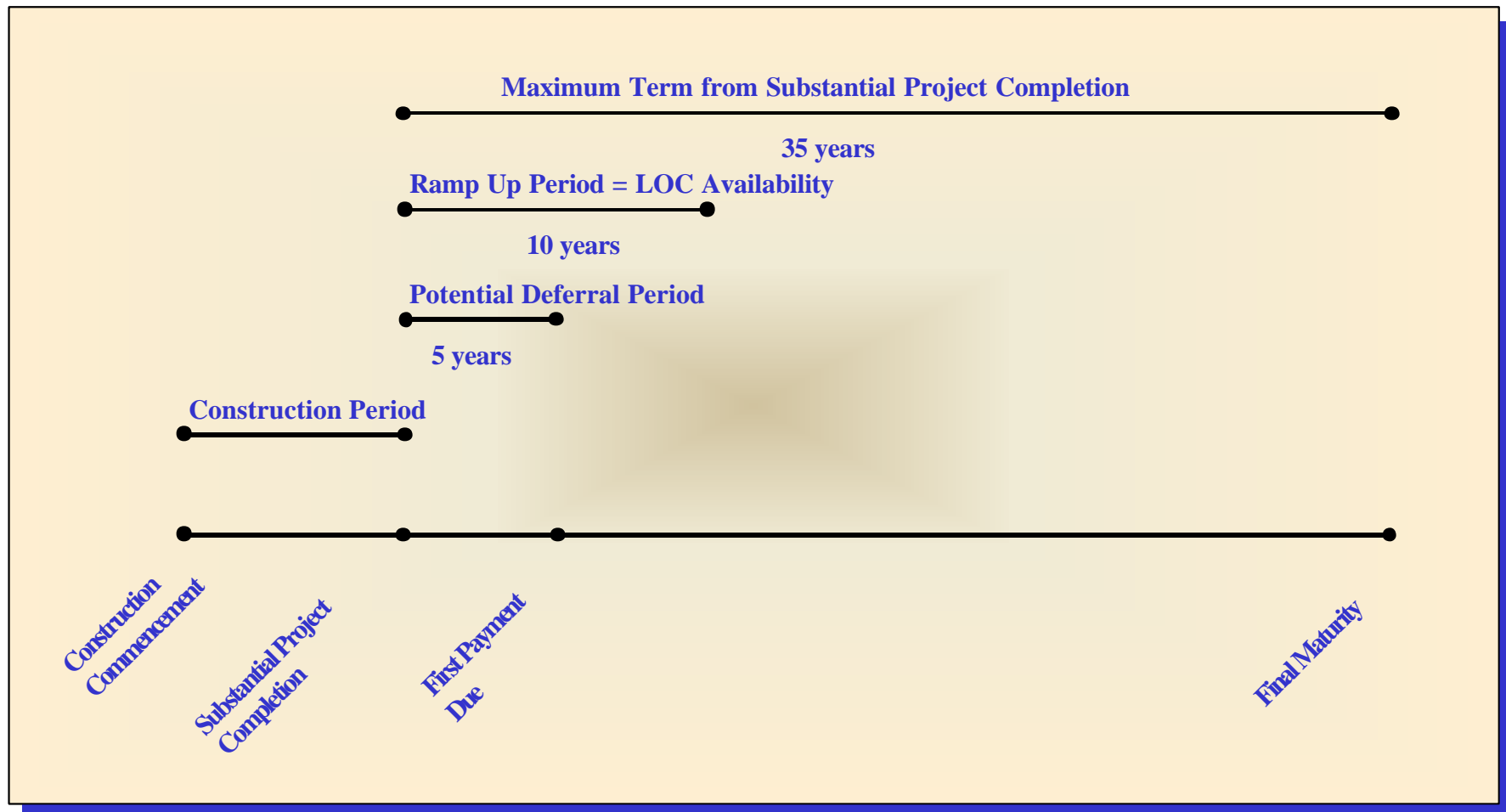
➤ **Major requirements**

- Large surface transportation projects (\$100M generally, \$30M for intelligent transportation systems – ITS)
- TIFIA contribution limited to 33 percent
- Investment grade rating requirement
- Dedicated revenues for repayment
- Applicable Federal requirements (Civil Rights, NEPA, Uniform Relocation, Titles 23/49)

- ## ➤ **Application process** – project sponsors must submit proposals, including financial plans, to USDOT for consideration.

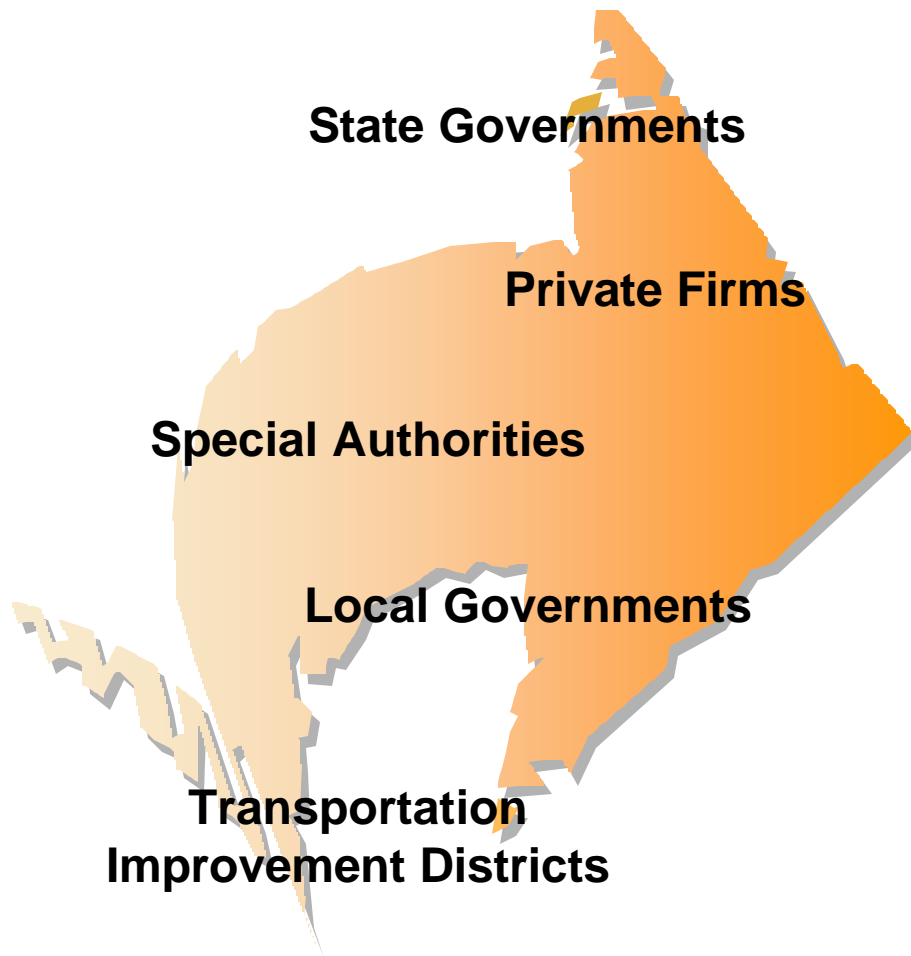


Basic Financing Terms Illustrated





Eligible TIFIA Sponsors and Projects



Highways and Bridges

Intelligent Transportation Systems

Intermodal Connectors

Transit Vehicles and Facilities

Intercity Buses and Facilities



Freight Transfer Facilities

Passenger Rail Vehicles and Facilities



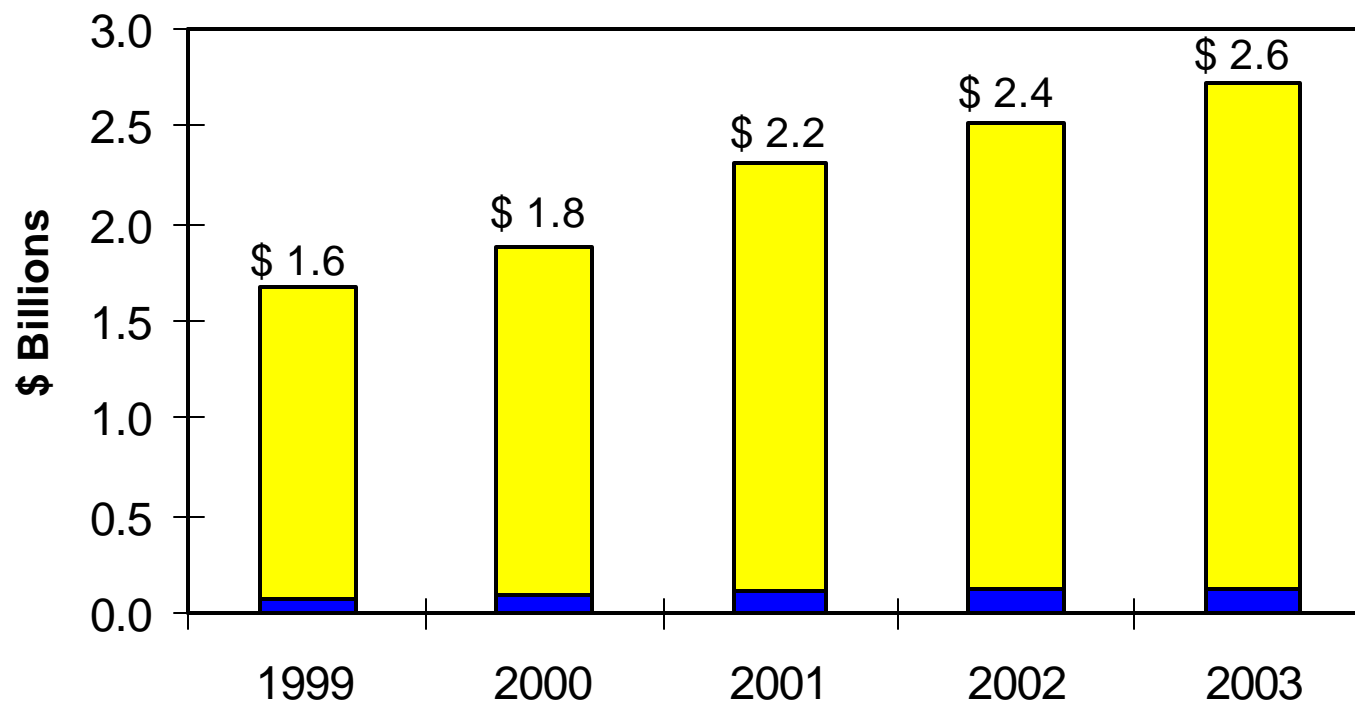


Credit Amount and Budget Authority Limitations

FY 1999 - 2003 (5 Years)

Maximum Credit Amount: \$10.6 Billion
Maximum Budgetary Cost: \$530 Million

 **Budget Authority**  **Credit Amount**





Capital Allocation for Federal Programs

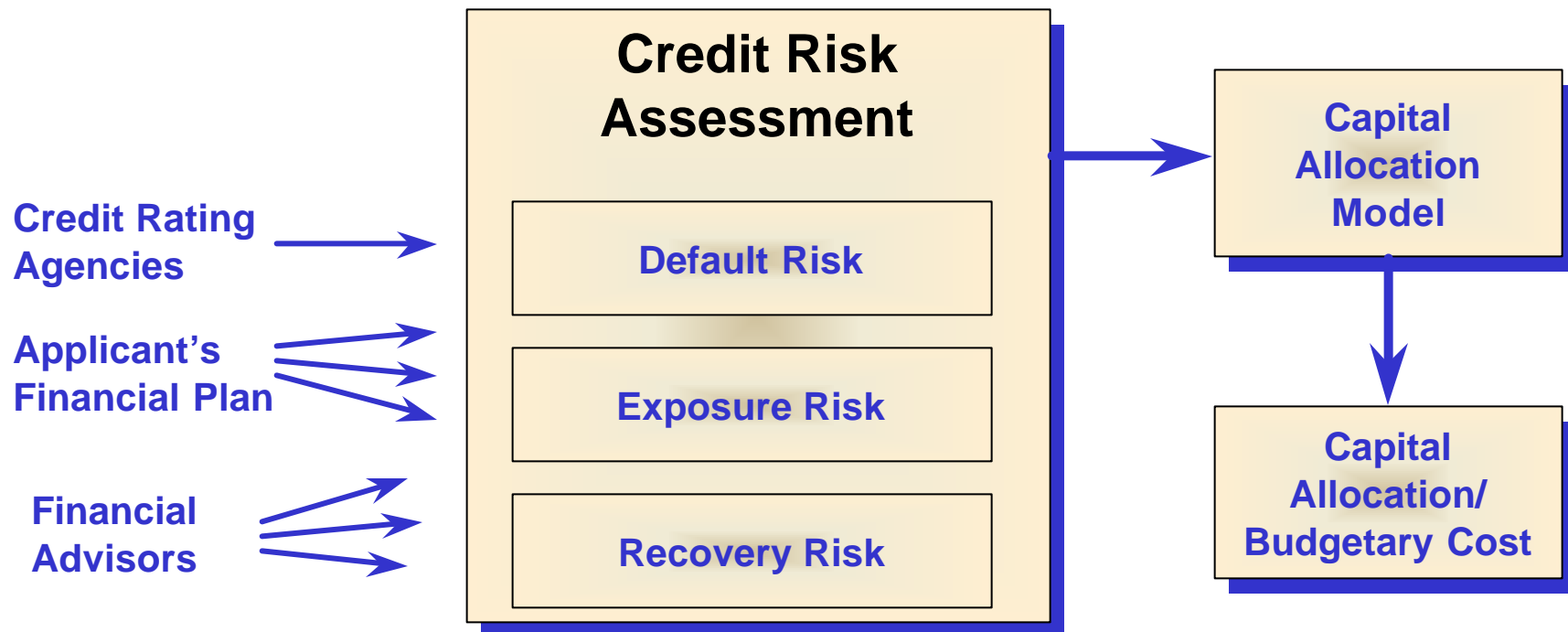
The Federal Credit Reform Act of 1990 (FCRA) governs the budgetary and accounting treatment of Federal credit.

Subsidy Costs

- The subsidy cost is the estimated long-term cost to the Government of providing a direct loan, loan guarantee, or line of credit.
- For the TIFIA program, the subsidy cost generally represents the present value of the Government's expected credit loss, excluding interest rate subsidies.
- The project risk profile, not the form of credit assistance, determines the subsidy cost.

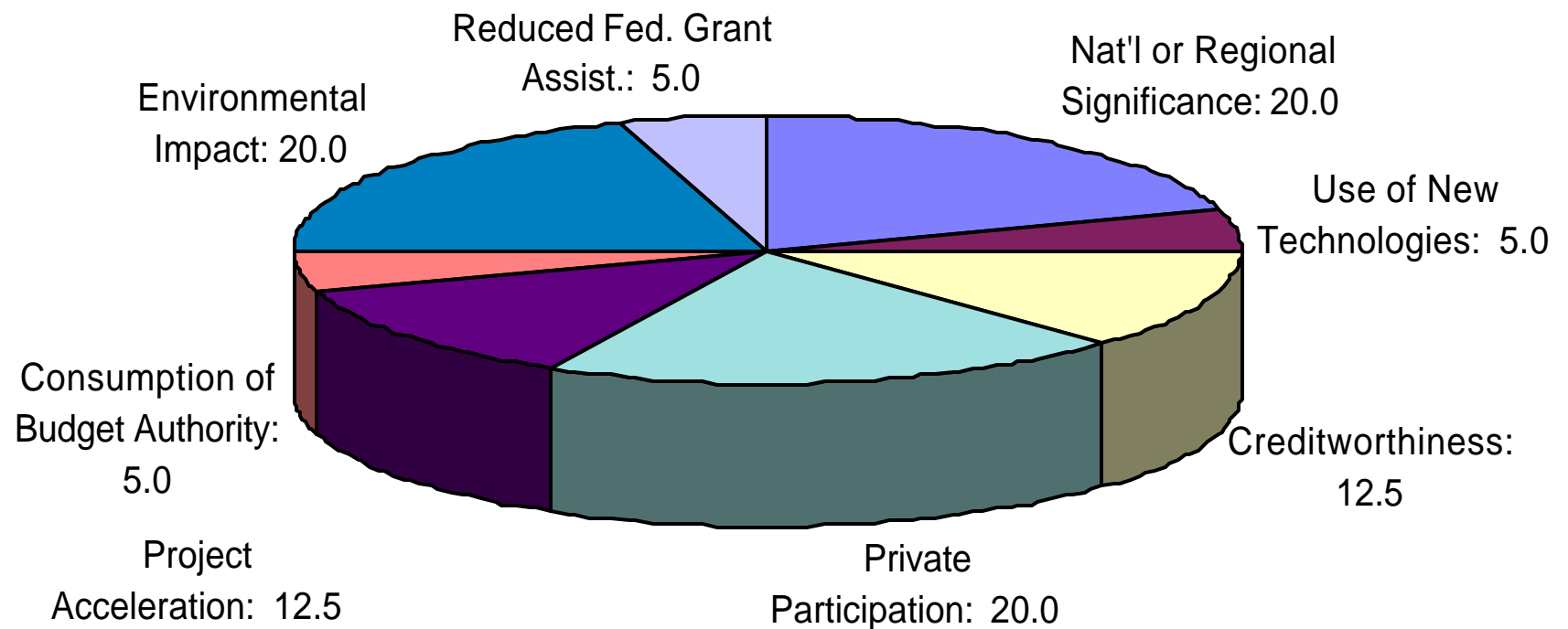


TIFIA Capital (Subsidy) Allocation: Overall Framework



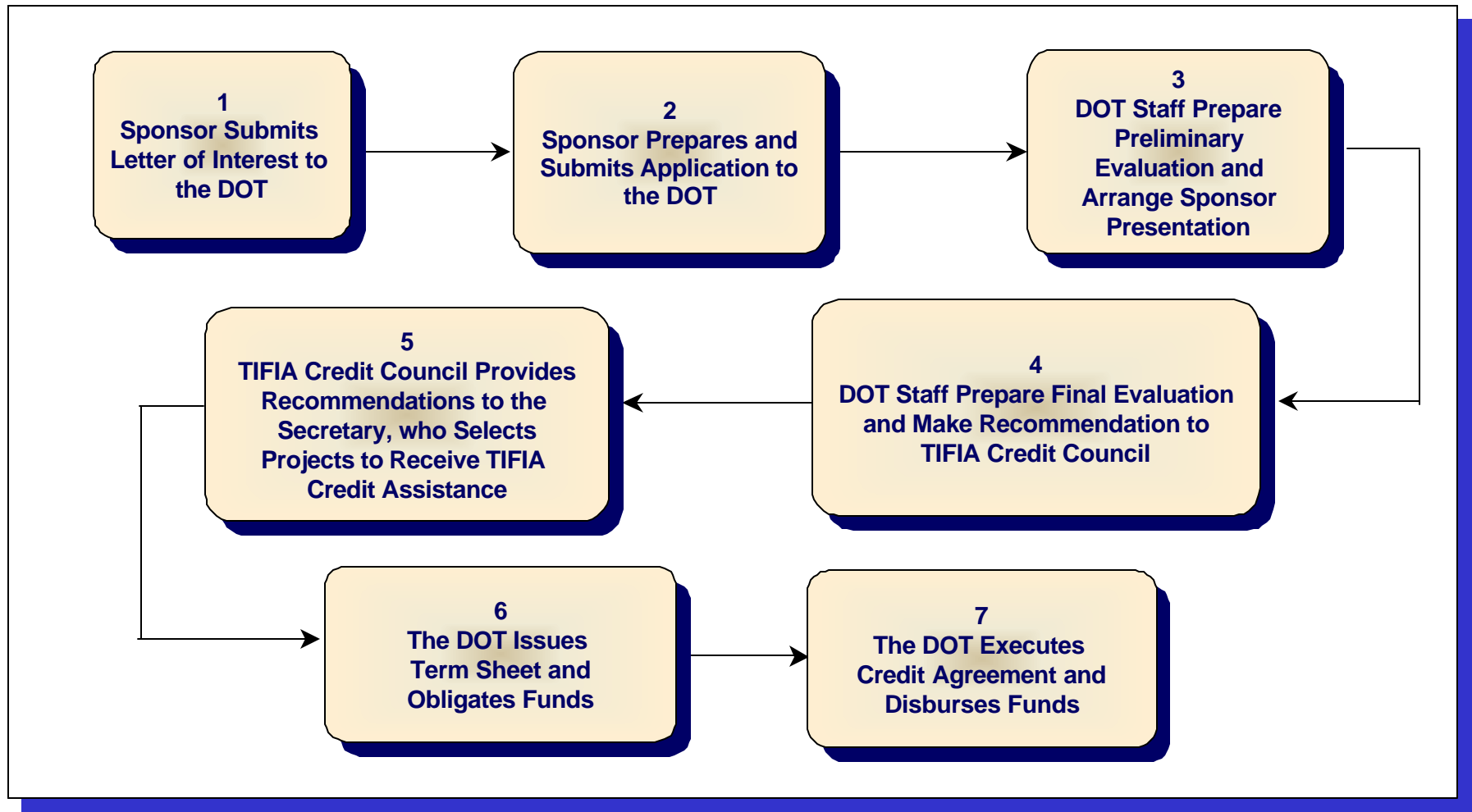


Statutory Selection Criteria Weighting (percentage amounts)





TIFIA Implementation Process



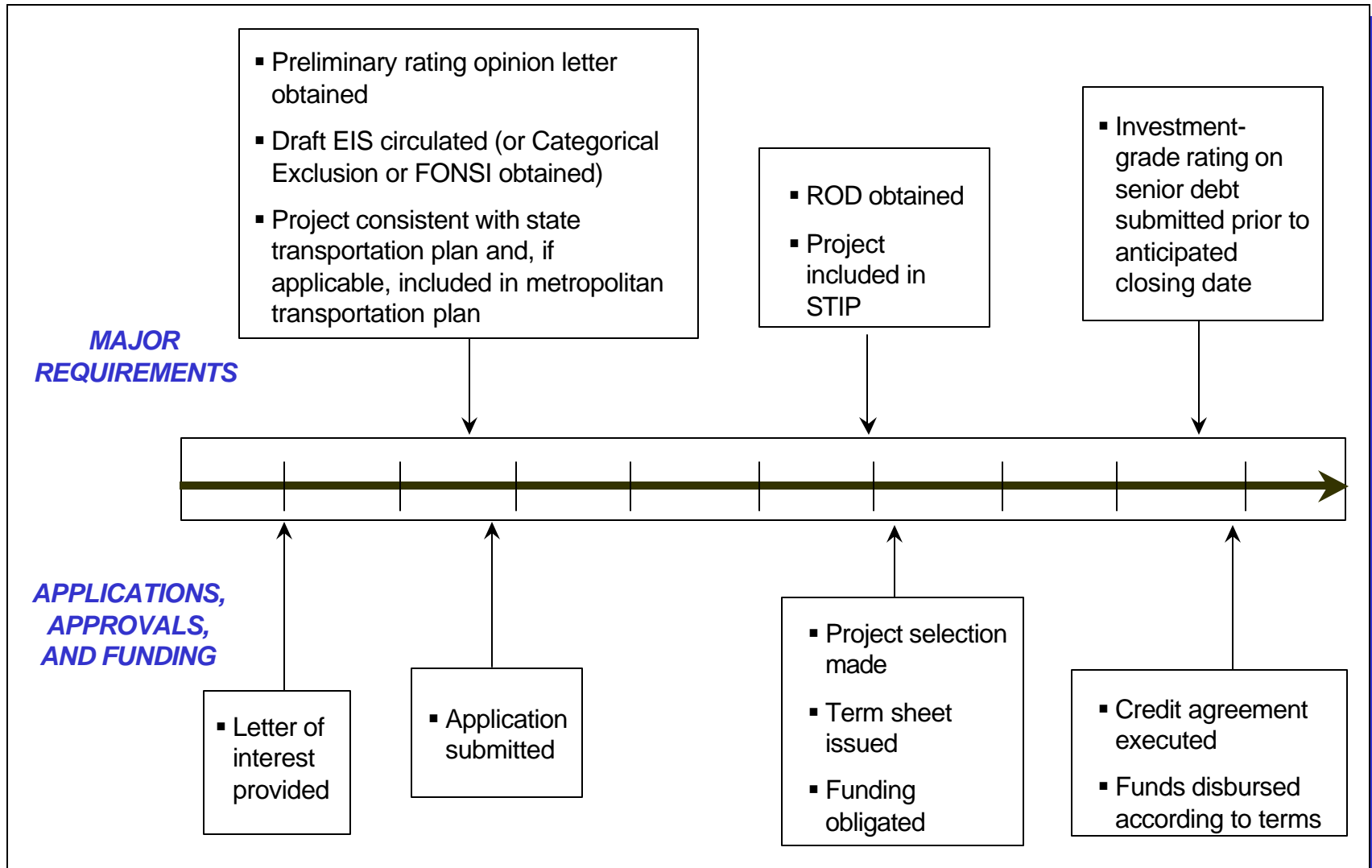


TIFIA Program Changes: 2001 Notice of Funding Availability (NOFA)

- **Institutes rolling application process**
- **Clarifies that DOT will not select a project before it has received a Record of Decision (ROD)**
- **Announces two changes to program fees:**
 - **Increases application fee from \$5,000 to \$30,000**
 - **Charges a credit processing fee at closing**
 - *Expected to range from \$100K to \$300K depending on the complexity of the transaction*

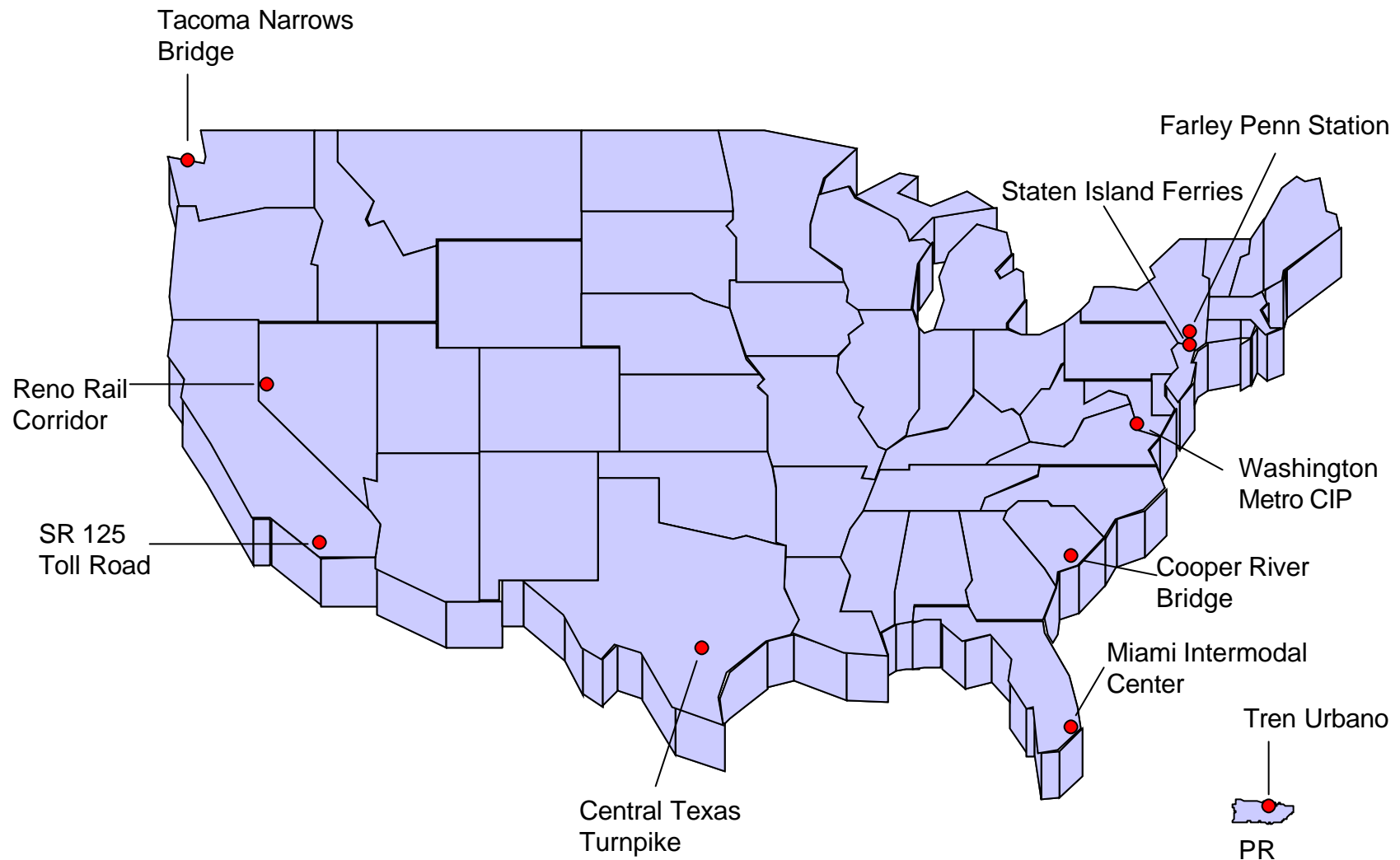


TIFIA Documentation Requirements





TIFIA Approved Projects (as of 06/30/01)





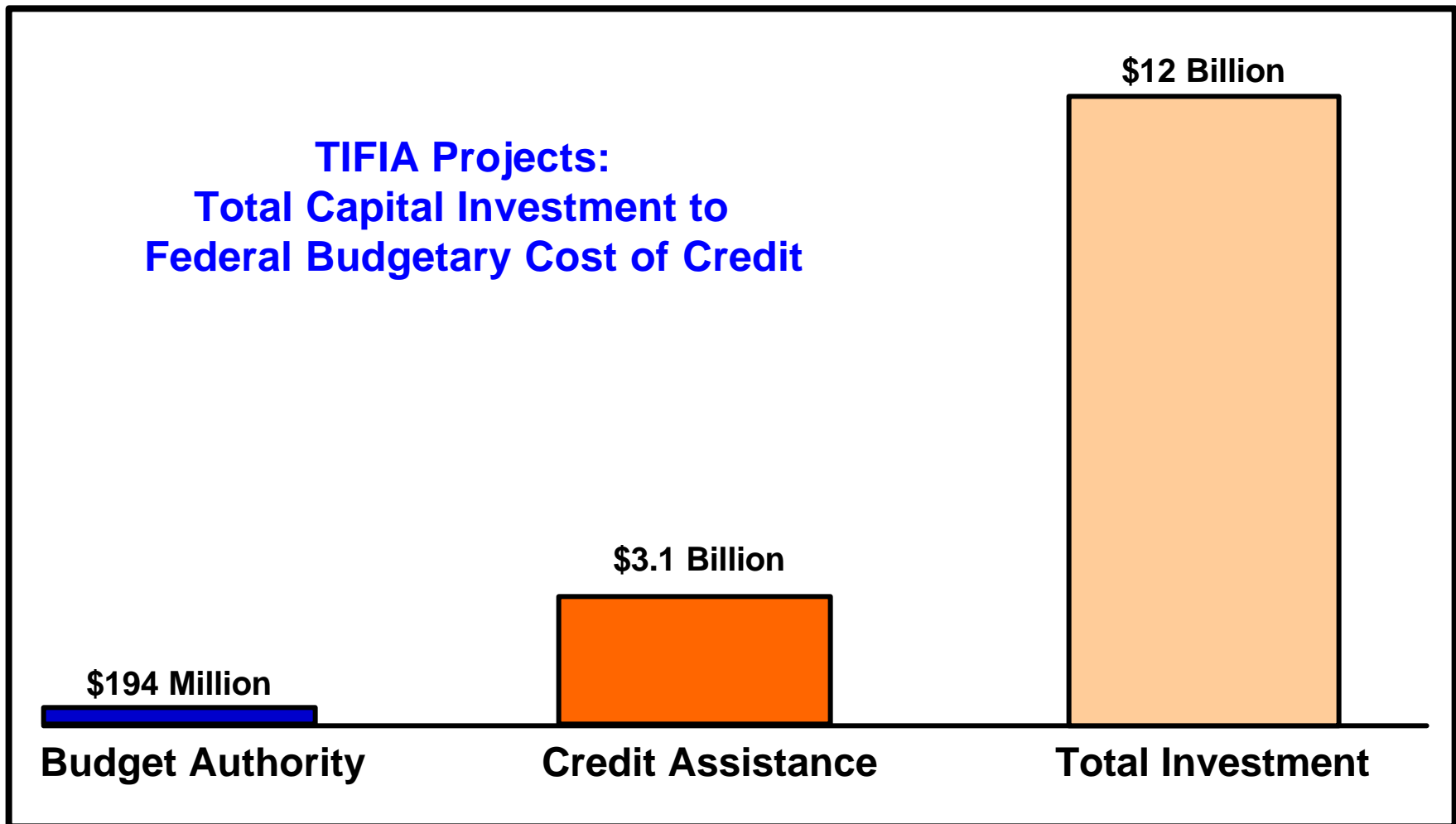
TIFIA Project Details

Project	Project Type	Project Cost	Instrument Type	Credit Amount	Primary Revenue Pledge	Capital Reserve Requirements		
						Initial Subsidy	Final Subsidy	Subsidy Amount
Miami Intermodal Center	Intermodal	\$1,349	Direct Loan	\$269.1	Tax Revenues	0.37%	0.39%	\$ 1.049
			Direct Loan	163.7	User Charges	4.77%		7.807
SR 125 Toll Road	Hwy/Bridge	397	Direct Loan	94.0	User Charges	11.24%		10.566
			Line of Credit	33.0	User Charges	9.57%		3.158
Farley Penn Station	Rail	800	Direct Loan	140.0	Other	12.51%		17.514
			Line of Credit	20.0	Other	11.84%		2.368
Washington Metro CIP	Transit	2,324	Guarantee	600.0	Other	1.51%	1.99%	11.940
Tren Urbano (PR)	Transit	1,676	Direct Loan	300.0	Tax Revenues	2.99%	2.59%	7.770
Tacoma Narrows Bridge	Hwy/Bridge	835	Direct Loan	240.0	User Charges	9.18%		22.032
			Line of Credit	30.0	User Charges	8.22%		2.466
Cooper River Bridge	Hwy/Bridge	668	Direct Loan	215.0	Other	2.59%	2.76%	5.934
Staten Island Ferries	Transit	463	Direct Loan	152.8	Other	4.82%		7.366
Central Texas Turnpike	Hwy/Bridge	3,220	Direct Loan	800.0	User Charges	11.11%		88.880
Reno Rail Corridor	Intermodal	242	Direct Loan	79.5	Other	7.43%		5.907
		\$11,974		\$3,137.1				\$ 194.757

Current Weighted Average Subsidy Rate: 6.21%



Potential TIFIA Leveraging - 62:1



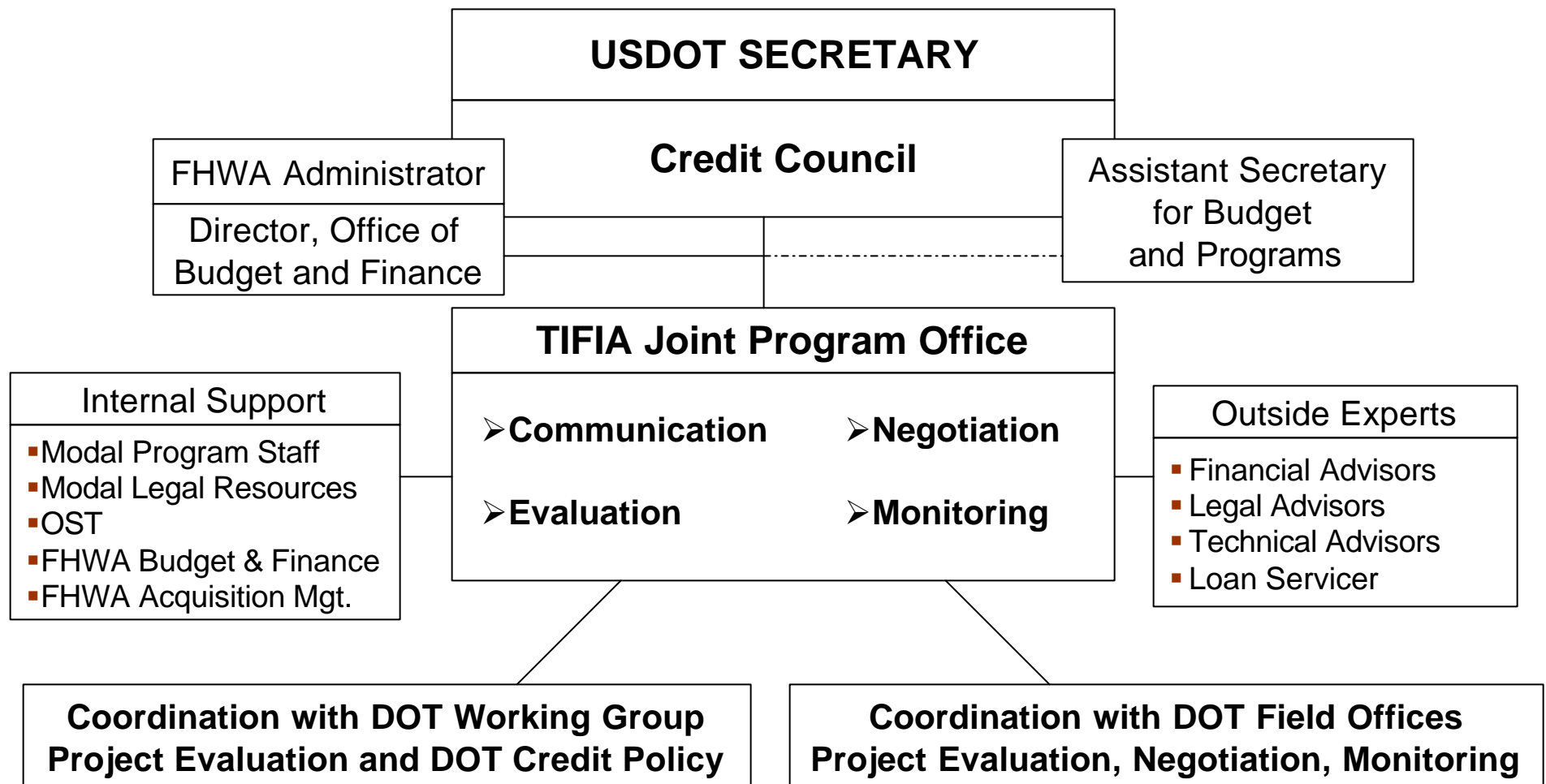


TIFIA Joint Program Office (JPO)

- **Created in January 2001, organizationally assigned to FHWA with policy direction from OST.**
 - **Responsible for coordination and management of day-to-day activities associated with TIFIA implementation.**
 - **Core group of staff overseeing TIFIA program, supplemented by outside experts (financial advisors, legal counsel, loan servicer, etc.).**
 - **Coordination with modal agencies (FHWA, FRA, FTA, and OST) in evaluating, selecting, negotiating, and monitoring credits.**
 - **Continued involvement with and reliance on expertise of internal DOT resources, including modal legal and programmatic resources, FHWA Divisions, and Resource Centers.**
-



TIFIA JPO Organizational Framework





TIFIA Oversight: Credit Instrument Life Cycle

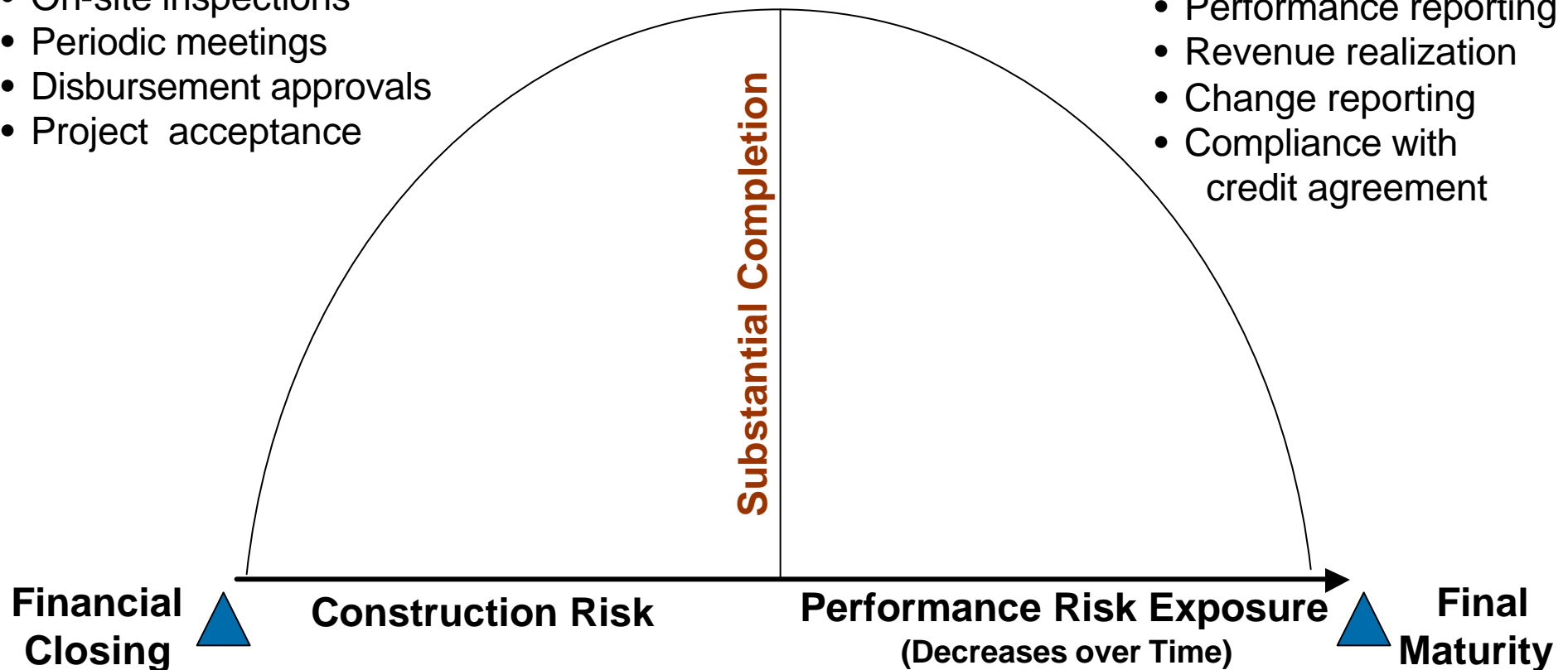
Construction Oversight and Performance Monitoring

Design / Construction

- On-site inspections
- Periodic meetings
- Disbursement approvals
- Project acceptance

Operations/Post Construction

- Performance reporting
- Revenue realization
- Change reporting
- Compliance with credit agreement





TIFIA JPO Contact Information

Additional information can be obtained from the TIFIA website:

<http://tifa.fhwa.dot.gov>

And from the following TIFIA Joint Program Office staff:

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